



For Immediate Release

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**Senator Judd Gregg Comments on Congressional Budget Office's
Analysis of the President's FY 2008 Budget**

“While today’s analysis from CBO -- which indicates that fair tax policies are growing the economy and triggering robust revenues that put us on a path to a balanced budget -- is helpful as we begin the budget process, we cannot lose sight of the big picture: the growth of entitlement programs has created a serious long-term fiscal problem that requires immediate action.

“On the spending side of the ledger, the President’s budget takes critical steps to slow the growth of entitlement programs that threaten to overwhelm future generations, and even very small modifications will result in significant savings down the road.

“For example, without changes, Medicare is expected to grow at an annual average rate of 6.5 percent over five years. While the President’s reforms would reduce that annual average growth rate by less than one percentage point over five years, over the long run, that tiny reduction will shrink the 75-year, \$32 trillion unfunded liability of the Medicare program by 25 percent, or \$8 trillion.

“The bottom line is that any reduction in the growth of entitlement spending, done now, will have a huge impact on the debt we are passing on to our children and grandchildren. I am hopeful that the majority’s budget proposal will include real entitlement reform.”